

**Commonwealth of Massachusetts**  
**Department of Telecommunications and Energy**  
**Fitchburg Gas and Electric Light Company**  
**Docket No. D.T.E. 02-24/25**  
**Responses to the Attorney General's Third Set of Information Requests**

---

**Request No. AG-3-8 (Gas)**

Please describe the method used to remove gas expenses and revenues from the cost of service study submitted as JLH-5-2. Provide all work papers and spreadsheets in electronic form, with all formulae intact, used to exclude the gas expenses and revenues.

**Response:**

The Total company cost of service was allocated into two component costs, the Delivery Service component cost and the Production component cost. So that there is no confusion regarding terminology, refer to and note that the cost study develops costs by class and by 15 different elementary components. These components can be subtotaled into capacity, commodity and customer categories as shown on Schedule JLH-5-3 in the middle of the page or into Production and Delivery Service components, as shown at the bottom of the page. The elementary components that comprise production are:

1. Production LPG
2. Production LNG
3. Production Demand Gas Costs
4. Gas (Commodity) Costs
5. Commodity Other

All other elementary components are summed together to develop the Delivery Component.

In the initial filing, Schedule JLH-5-2 was intended to represent the total Delivery Service component costs but mistakenly only shows the distribution demand component piece of the delivery service component costs. While this information may provide some insights into costs to serve, it does not meet its intent and should be ignored. The computed Delivery Service component cost study that was intended to be labeled as Schedule JLH-5-2 were included with the filing's workpapers and are shown in JLH-8, Workpapers supporting JLH-5, pages 5 to 78.

The Production related component costs are shown in JLH-8, Workpapers supporting JLH-5, pages 79A to 151. The total of these two component costs equals the Total company cost of service in JLH-5-1. In the delivery service component cost of service file, the allocators for customer related costs, distribution capacity related costs and the production related pressure support costs were classified as delivery service related. See JLH-8, Workpapers supporting JLH-5, Pages 47 to 52. In the production component cost of service file the allocators for demand production related costs excluding pressure support and commodity related costs were classified as production related. See JLH-8, Workpapers supporting JLH-5, Pages 120 to 123. The classification of these allocation factors as delivery service related or production related determines the allocation of costs to each of these component costs. The cost of service program internally

**Commonwealth of Massachusetts  
Department of Telecommunications and Energy  
Fitchburg Gas and Electric Light Company  
Docket No. D.T.E. 02-24/25  
Responses to the Attorney General's Third Set of Information Requests**

---

computes the ratio of delivery and production related costs for each internal allocation factor. The allocation factor ratio tables in JLH-8, Workpapers supporting JLH-5, pages 63 to 78 and pages 136 to 151 show the ratios for each component cost by allocator and customer class. Using these ratios, the allocation between components can be performed with the aid of a simple calculator.

**Person Responsible:** James L. Harrison